



# Missouri Department of Natural Resources Energy Center

## MISSOURI ENERGY BULLETIN

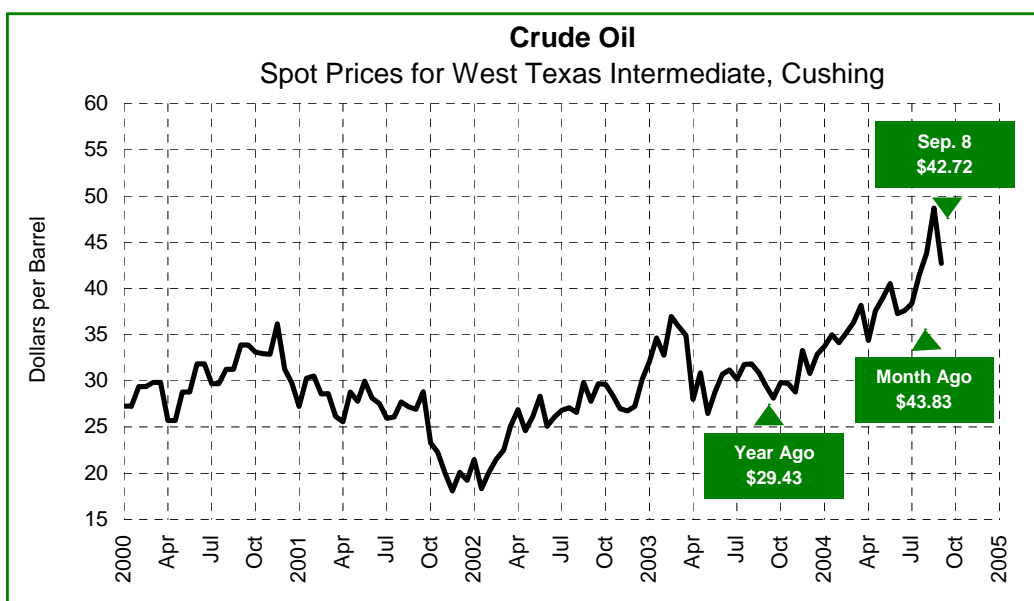
September 10, 2004

### Crude Oil

Since setting a new U.S. record price of \$48.70 per barrel on August 19, crude oil prices have dropped by nearly \$6.00 per barrel as of September 8 to close at \$42.72 per barrel.

Crude Oil - Spot Prices (dollars per barrel)					
	<u>09-08-04</u>	<u>08-02-04</u>	<u>change</u>	<u>09-02-03</u>	<u>change</u>
WTI	\$42.72	\$43.83	down 3%	\$29.43	up 45%

- Since setting a new U.S. record price of \$48.70 per barrel on August 19, crude oil prices have dropped by nearly \$6.00 per barrel as of September 8 to close at \$42.72 per barrel. Stronger U.S. crude storage levels and the return of Iraqi oil exports following several militant attacks have influenced crude oil prices. Saudi Arabia also has helped to push prices lower following record high production and their announcement to sustain high production to curb the growing cost of global crude.
- For the week ending September 3, 2004, U.S. refineries used an average of 16.1 million barrels per day of crude oil, the fourth highest weekly average ever. U.S. refineries during the last three weeks have used on average more than 16 million barrels per day of crude oil inputs.



- Although U.S. crude oil supplies fell 1.4 million barrels to 285.7 million barrels last week, supplies remain 9.5 million barrels higher compared to this time last year.
- Several major oil companies including Valero, BP, ChevronTexaco and Venezuelan oil company Petroleos de Venezuela have shut refinery operations they feared might lie in the path of Hurricane Ivan, the fourth hurricane/tropical storm to threaten the Florida/Gulf Coast Region in as many weeks. The hurricane is the most powerful to hit the Caribbean in more than a decade, hitting Venezuela's north coast Wednesday, but hasn't caused any major damage as it did Tuesday in Grenada.

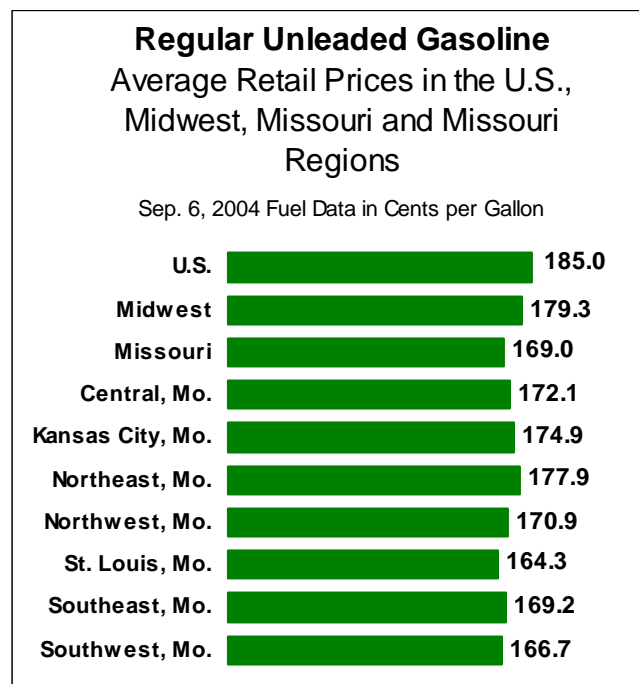
## **Transportation Fuels**

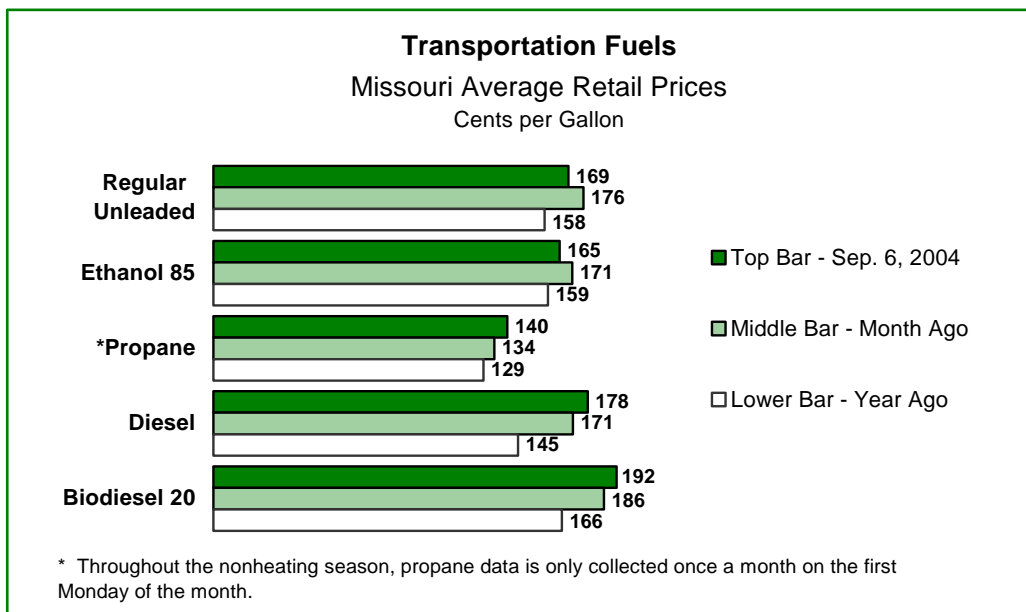
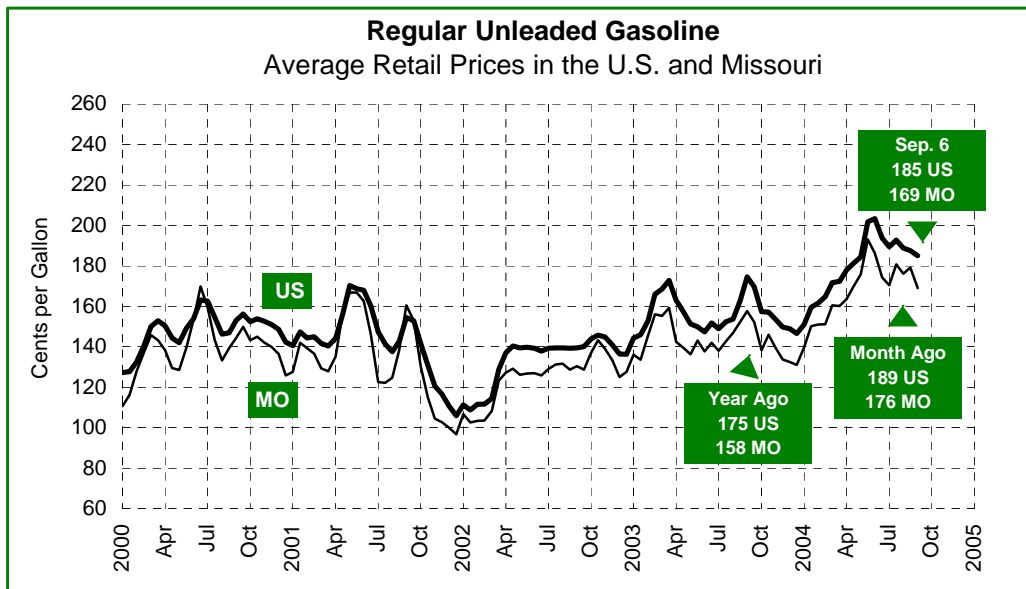
**Missouri's average retail price for regular gasoline decreased 7 cents per gallon from the previous month to reach 169 cents per gallon as of September 6, 11 cents higher than this time last year.**

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>09-06-04</u>	<u>08-02-04</u>	<u>change</u>	<u>09-02-03</u>	<u>change</u>
US	185	189	down 2%	175	up 6%
Missouri	169	176	down 4%	158	up 7%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>09-06-04</u>	<u>08-02-04</u>	<u>change</u>	<u>09-02-03</u>	<u>change</u>
Missouri	178	171	up 4%	145	up 23%

- Over the last year, Missouri's average retail gasoline prices have increased 7 percent, climbing from 158 cents per gallon to 169 cents per gallon. Missouri retail gasoline prices peaked to near \$2 per gallon by May 17. Motor gasoline prices have remained fairly stable due to strong U.S. gasoline production, strong gasoline imports and storage supplies of gasoline compared to last year.





Motor Gasoline - Total Stocks (millions of barrels)					
US	09-03-04	07-30-04	change	08-29-03	change
	204.1	210.1	down 3%	191.9	up 6%

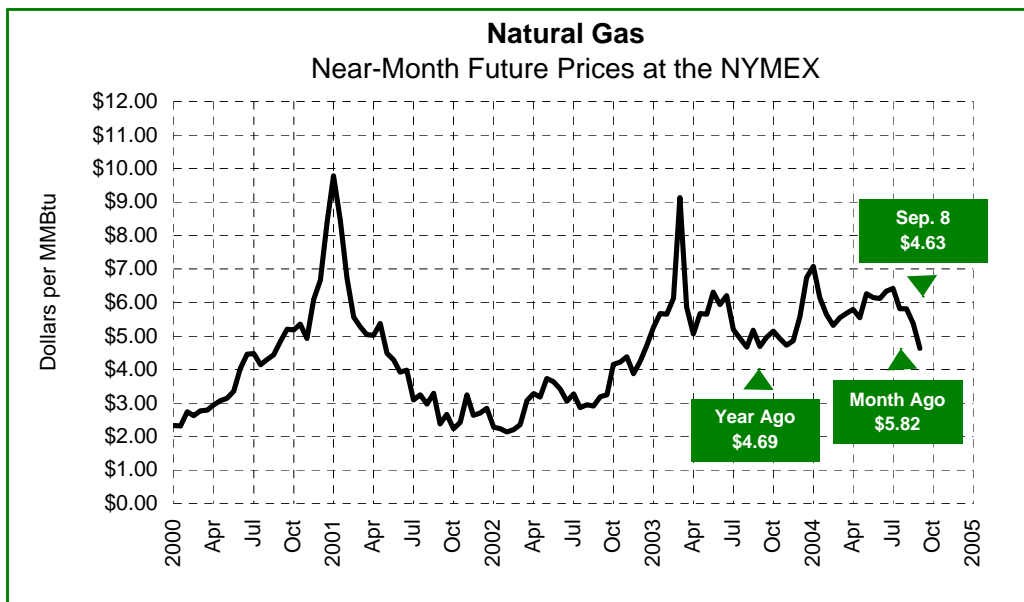
- U.S. gasoline supplies decreased for the week ending Sept. 3 with commercial supplies declining by 2.5 million barrels from the previous week, placing them at approximately 204.1 million barrels, still well within the upper 5-year average for this time of year. U.S. gasoline supplies decreased due to strong domestic demand averaging 9.4 million barrels per day, an increase of nearly 600,000 barrels per day compared to last year.
- U.S. gasoline production was estimated at 8.7 million barrels per day and imports contributed an additional 1.2 million barrels per day for the week ending Sept. 3.

## Natural Gas

On Friday, September 3, the Henry Hub price fell 41 cents per MMBtu to \$4.33, the lowest price recorded at the trading location since October 10, 2003.

Natural Gas - Near Month Future Prices (dollars per mmbtu)					
	09-08-04	08-03-04	change	09-03-03	change
NYMEX	\$4.63	\$5.82	down 20%	\$4.69	down 1%

- Factors contributing to the decline in prices last week were market expectations of moderate weather and lessened industrial demand owing to the holiday weekend. On Friday, September 3, the Henry Hub price fell 41 cents per MMBtu to \$4.33, which is the lowest price recorded at the trading location since October 10, 2003. However, this was followed by rebounds in prices since Tuesday, September 7, at least in part owing to concerns that yet another tropical storm (Hurricane Ivan) may threaten production in the Gulf of Mexico.
- Working gas inventories increased to 2,775 Bcf as of Friday, September 3, according to EIA's Weekly Natural Gas Storage Report. This is 7.1 percent above the 5-year average for the report week, and 10.2 percent above the level for the same week last year. The implied net additions during the report week were 80 Bcf or an average of 11.4 Bcf per day, which is equal to the 5-year average injection for the report week. The relatively strong current storage levels suggest inventories entering the winter heating season this year will likely exceed the 5-year average.
- Reduced industrial demand during the Labor Day weekend and moderate temperatures in the Midwest and Northeast helped to place more natural gas into storage.



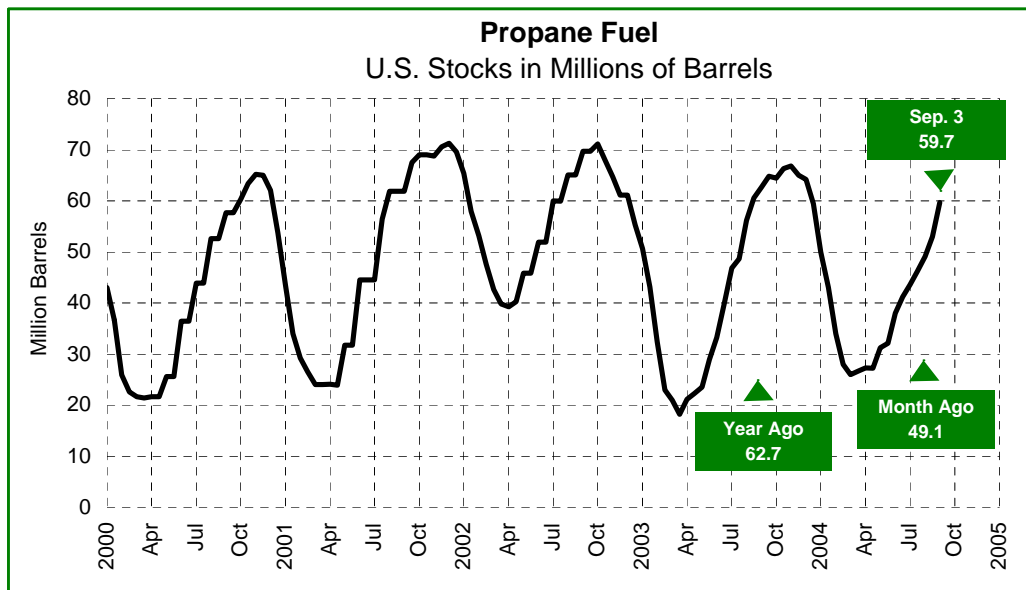
## Propane

U.S. propane supplies improved by 2.2 million barrels for the week ending Sept. 3, placing supplies at 59.7 million barrels.

### Propane - Residential Prices (cents per gallon)

	<u>09-06-04</u>	<u>08-02-04</u>	<u>change</u>	<u>09-02-03</u>	<u>change</u>
Missouri	129	120	up 8%	108	up 20%

- U.S. inventories of propane moved higher with a weekly build that measured 2.2 million barrels, boosting the nation's primary supply of propane up to an estimated 59.7 million barrels as of September 3, 2004. The recent surge in propane inventories, if sustained throughout the remainder of the build season, should provide an adequate amount of propane as the U.S. enters the 2004-2005 winter heating season. Midwest supplies of propane improved by 0.8-million barrels.
- Sustained crude oil prices above \$40 per barrel (the spot price for West Texas Intermediate crude oil has closed above \$40 per barrel every trading day since July 14) continue to support higher propane prices.



### Energy Bulletin Update

The Energy Bulletin has an e-mail advisory service that includes an email and a direct link to the Bulletin on our web page rather than an email attachment. This new service will allow our readers to have easy and timely access to a newly designed Missouri Energy Bulletin that includes easier to read summaries of price and supply information as well as colored charts and graphs. To register for the new distribution service, please visit <http://www.dnr.mo.gov/energy/transportation/e-bulletin.htm>

### Missouri Energy Outlook

The Missouri Energy Outlook, an energy resource analysis reviewing prices and availability of energy in Missouri over the summer months was released in June by the Missouri Department of Natural Resources' Energy Center. Copies of the Missouri Energy Outlook are available online at the department's Web site at <http://www.dnr.mo.gov/energy/energyoutlook.pdf>, or may be obtained by calling the Missouri Department of Natural Resources' Energy Center at (573) 751-3443 or the department toll free at (800) 361-4827.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers. For more information, contact: MO Dept. of Natural Resources, Energy Center, P.O. Box 176, Jefferson City, MO 65102-0176; Phone: (573) 751-3443; Fax: (573) 751-6860; E-mail: [energy@dnr.mo.gov](mailto:energy@dnr.mo.gov); Web Address: [www.dnr.mo.gov/energy/transportation/fb.htm](http://www.dnr.mo.gov/energy/transportation/fb.htm)